

FISCAL NOTE

HB 548 - SB 755

February 27, 2003

SUMMARY OF BILL: Provides that:

1. the board of education for each school district shall establish an extended year reading intervention program, equivalent to 40 hours of instruction, for students identified as below grade level on reading assessments in grades K-3.
2. all costs of such program would be reimbursed by the state, except for transportation which would be reimbursed at not more than \$30 per student per session.
3. districts would apply for reimbursement based on the average daily membership reporting procedure developed and administered by the Department of Education.
4. program participation and effectiveness by school and district would be presented annually to the State Board of Education, the General Assembly, and the Governor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures- Exceeds \$10,000,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Estimate assumes:

- The reading program would be in addition to the regular school year.
- Students identified as below grade level on reading assessments in K-3 would mean those students scoring below basic on the NAEP reading assessment
- The 2001-02 average daily membership for K-3 is 286,830.
- Approximately 42% of students in Tennessee are scoring below basic on the NAEP reading assessment in 4th grade. Therefore, it is assumed that approximately 120,468 students would be enrolled in the program.
- With a student-teacher ratio of 1:15, the program would need 8,031 teachers.
- The reading program consists of 40 hours of additional instruction. Each teacher would be paid approximately \$1,027 per 40 hours of instruction. ($\$1,027 \times 8,031$, the number of teachers needed for the program = \$8,247,837)

- Transportation costs will not exceed \$30 per student. (\$30 x 120,468, the number of students enrolled in the program, = \$3,614,040)
- The increase in state expenditures for transportation and teacher payments will be \$11,861,877.
- The costs of planning a reading program for each district ranges from \$6,000 for a small district to \$50,000 (Metro-Davidson County) for a large metropolitan district. If other large systems incur similar planning costs, the total local cost statewide for planning could exceed \$100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport, Executive Director